

WORLD TRADE ORGANIZATION

S/C/10
26 October 1999

(99-4661)

REPORT (1999) OF THE COUNCIL FOR TRADE IN SERVICES TO THE GENERAL COUNCIL

1. Since its last report to the General Council, dated 7 December 1998, the Council for Trade in Services has held eight formal meetings. Reports on the meetings are contained in documents S/C/M/32-39 and should be read in conjunction with this report. The Council addressed the following matters:

II. MULTILATERAL DISCIPLINES ON DOMESTIC REGULATION IN THE ACCOUNTANCY SECTOR

2. At the Council meeting of 14 and 15 December 1998, the Council discussed the report of the Working Party on Professional Services concerning its work on the development of multilateral disciplines in the accountancy sector. The report had four documents annexed to it: a Draft Council Decision (Job No. 6481/Rev.1); the text of the Disciplines (S/WPPS/W/21); a Chairman's Note on discussion of Articles VI, XVI and XVII (Job No. 6496); and the Decision on Professional Services (S/L/3). The Council adopted the draft decision attached to the report (S/L/63) and the text of the disciplines (S/L/64).

II. REOPENING OF THE FOURTH PROTOCOL FOR ACCEPTANCE

3. At the Council meeting of 14 and 15 December 1998, following a request from Ghana, the Council adopted a decision to re-open the Fourth Protocol for acceptance by Ghana. Members welcomed as a positive development the fact that Ghana could accept the protocol, but stressed that deadlines had an important function and that they must be observed. They agreed that the re-opening in this case should not constitute a precedent.

II. NOTIFICATIONS TO THE COUNCIL PURSUANT TO GATS PROVISIONS

4. At its meeting of 14 and 15 December 1998 the Council took note of the following notifications:

- (i) Notifications pursuant to Article III:3 of the GATS concerning modifications to services regulations in sectors where specific commitments had been undertaken:

Nigeria	(S/C/N/69)
Switzerland	(S/C/N/70)
Peru	(S/C/N/71)
Thailand	(S/C/N/72)
Thailand	(S/C/N/73)
Japan	(S/C/N/74)
Japan	(S/C/N/77)

Indonesia	(S/C/N/78)
Indonesia	(S/C/N/79)
Indonesia	(S/C/N/80)
Indonesia	(S/C/N/81)
Japan	(S/C/N/82)
Japan	(S/C/N/83)
Japan	(S/C/N/84)
United Kingdom	(S/C/N/85)

- (ii) Notifications pursuant to Article VII:4 of the GATS concerning recognition measures and agreements or agreements:

Australia	(S/C/N/67)
United States	(S/C/N/68)
Switzerland	(S/C/N/75)
Liechtenstein	(S/C/N/76)

II. ENTRY INTO FORCE OF THE FIFTH PROTOCOL

5. By the deadline of 29 January 1999, the Fifth Protocol had been accepted by 53 out of 71 participating Members. Those who had accepted the Protocol had to decide on its entry into force within 30 days, that is by 1 March 1999. The accepting Members decided on 11 February 1999 that the Protocol should enter into force on 1 March, as would automatically have been the case if all Members concerned had accepted it by the deadline.

6. The Services Council subsequently agreed that the Protocol should be open for acceptance by those Members who had not yet done so from 15 February until 15 June 1999 (5 Members accepted within that time period). It also agreed to renew the standstill commitment not to take any measures inconsistent with the Schedules annexed to the Protocol (Decision on Acceptance of the Fifth Protocol to the General Agreement on Trade in Services, S/L/68 of 15 February 1999).

7. At the meeting held on 21 September 1999, following a request from Costa Rica and Nicaragua, the Council adopted a decision to re-open the Fifth Protocol for acceptance by these two Members. Members welcomed as a positive development the fact that Costa Rica and Nicaragua could accept the Fifth Protocol, but stressed that deadlines had an important function and that they must be observed. They agreed that the re-opening in this case should not constitute a precedent.

II. PREPARATION FOR NEGOTIATIONS UNDER ARTICLE XIX OF THE GATS: THE EXCHANGE OF INFORMATION

8. At the Ministerial Conference held in Singapore in 1996, Ministers endorsed a recommendation in paragraph 47 of document S/C/3 calling upon the Council for Trade in Services to develop an information exchange programme with the aim of facilitating the access of all Members, in particular developing country Members, to information regarding laws, regulations and administrative guidelines and policies affecting trade in services.

9. As part of the information exchange exercise, a series of discussions was held on specific services sectors. The focus of these discussions was on the manner in which the services in question were defined, traded and regulated as well as on the existing trade barriers. The discussions were aimed at enabling Members to identify negotiating issues and priorities. The Council agreed on five questions which constituted a useful, but not exhaustive, framework for the discussions. These questions were:

- (i) What are the regulatory authorities, governmental and/or non-governmental?
- (ii) Are there any special or common problems encountered as regards transparency or the application of the most-favoured-nation principle?
- (iii) What are the most prevalent types of restriction on market access or national treatment?
- (iv) Are there other types of regulation - for example in the areas of licensing, technical standards or qualification requirements - which commonly restrict trade in the sector?
- (v) What are the main barriers exports face in the markets of other Members?

10. The Council asked the Secretariat to prepare background papers on the sectors to be discussed at each meeting. These papers were based on information available on each sector and on the analysis of specific commitments. They contained information on the economic importance of the service, issues of definition, the main ways in which the service was traded and regulated, existing regulatory barriers to trade, limitations commonly found in schedules and sources of further information.

11. Discussions on specific services sectors were held between June 1998 and March 1999. During the period covered by this report, the Council held discussions on Financial, Accountancy and Telecommunication Services, Temporary Movement of Natural Persons and the Structure of Commitments for Modes 1, 2 and 3.

II. ASSESSMENT OF TRADE IN SERVICES – ARTICLE XIX:3 OF THE GATS

12. Paragraph 3 of Article XIX of the GATS provides that for each round of negotiations, guidelines and procedures shall be established. For this purpose, the same provision calls upon the Council to carry out an assessment of trade in services in overall terms and on a sectoral basis with reference to the objectives of the GATS, including those set out in paragraph 1 of Article IV.

13. In the discussions on the assessment it was pointed out that trade in services suffered from a serious lack of statistical information which could constitute a proper basis for a quantitative assessment. This made it very difficult to envisage an assessment exercise which would lead to precise or quantified conclusions. A strong element of subjectivity was therefore inevitable in the assessment by each Member of how trade in services had developed in general or on a sectoral basis.

14. The Council requested the Secretariat to prepare a background note on the assessment of trade, to complement its work on statistics (S/C/W/27) and the economic effects of services liberalisation (S/C/W/26 and S/C/W/26/Add.1). Accordingly, the Secretariat prepared a note on Recent Developments in Services Trade (S/W/C/94), which together with other existing documents was meant to assist the Council in its assessment of trade in services. The Secretariat also produced an informal note on "Developmental Aspects of Services Liberalization." Several delegations also presented written submission. On the basis of these documents Members have been conducting an assessment of trade at the Council meetings held between December 1998 and October 1999. At the July 1999 meeting, the UNCTAD Secretariat was invited to provide an overview of their work in the services area with a view to identifying material that might be relevant to the assessment by the Services Council. The UNCTAD Secretariat made a presentation to the Council and submitted a paper entitled "Assessment of Trade in Services: Possible contribution by UNCTAD". The paper was discussed at the Council meetings on 16 July and 21 September 1999. The view of many delegations was that the assessment of trade in services should be regarded as an on-going process rather than as a

concluded exercise. It was therefore concluded that the Council would revert to it at an appropriate time in 2000.

II. PREPARATION OF NEGOTIATIONS UNDER ARTICLE XIX – NEGOTIATING GUIDELINES AND PROCEDURES

15. At its meetings in April, May, June, July and September 1999 the Services Council held substantive discussions on the negotiating guidelines and procedures required by Article XIX of the GATS. Written submissions were presented by various delegations. In addition, several delegations also expressed their views at the meetings on what the negotiating guidelines should contain.

16. Members considered it useful to hold discussions on negotiating guidelines in the Services Council, without prejudice to decisions in the General Council. The discussions revealed a high degree of convergence between the views expressed by delegations.

II. SUBMISSION OF SCHEDULES OF COMMITMENTS UNDER THE CERTIFICATION PROCEDURE

17. At meeting of the Services Council held on 14 and 15 December 1998, Côte d'Ivoire submitted a schedule of commitments in financial services and a list of Article II exemptions under the certification procedure. At the same meeting Guatemala submitted a schedule of commitments in telecommunications services. At the meeting of the Services Council held on 9 and 15 February 1999, Korea submitted an improved schedule of commitments in Financial Services. The procedure was concluded for Côte d'Ivoire on 18 March 1999, for Guatemala on 12 March 1999, and for Korea on 13 September 1999.

II. COOPERATION BETWEEN THE ITU AND THE WTO

18. The question of a cooperation agreement between the International Telecommunication Union (ITU) and the WTO was discussed at several meetings of the Services Council during 1998. The Council mandated the Secretariat to consult with the ITU Secretariat on the possible form and content of such an agreement. On the basis of these consultations, the WTO Secretariat produced a draft which was discussed by Members in the Services Council. Members approved the text of the agreement with the ITU at the meeting of the Services Council held on 22 and 23 March 1999. The text was forwarded to the ITU.

II. SPECIAL SESSION ON TELECOMMUNICATIONS SERVICES

19. On 25 June 1999, the Services Council held a special Information Session on Telecommunication Services. The Information Session examined in depth technical assistance to developing countries on regulatory issues such as the establishment of an independent regulator, interconnection and competitive safeguards. Experts from other international intergovernmental organizations including the International Telecommunications Union and the World Bank participated as well as national regulators from capitals.

II. TRADE FACILITATION

20. On 1 September 1998 the Chairman of the Council for Trade in Services received a letter from the Chairman of the Council for Trade in Goods requesting the Services Council to include "trade facilitation" as an item on the agenda of its following meeting to address its relationship with the GATS and provide the results of such discussions by March 1999, to the Goods Council as an input to its further discussions on the subject.

21. At its meeting of 22 and 23 March 1999, the Services Council discussed the subject of trade facilitation. It was the general view that the concept of trade facilitation as originally raised in the

context of trade in goods, i.e. mainly concerned with simplifying, streamlining and modernising customs formalities and administrative procedures, was not as such applicable to trade in services. However, in a broader sense, it was felt that liberalization of trade in services could play an important role in facilitating trade in goods. It was also suggested that issues of trade facilitation in services could be taken up in the context of the exchange of information exercise, while specific issues relating to Electronic Data Interchange (EDI) could be taken up in the context of the work programme on Electronic Commerce. The main points raised by delegations in discussions on trade facilitation held in the Services Council were communicated in a letter from the Chairman of the Services Council to the Chairman of the Goods Council.

II. WORK PROGRAMME ONELECTRONIC COMMERCE

22. The Services Council addressed the Work Programme on Electronic Commerce at its meetings held between October 1998 and July 1999. Discussions focused on the twelve issues contained in paragraph 2.1 of the work programme adopted by the General Council on 25 September 1998 namely: (i) scope (including modes of supply) (Article I); (ii) MFN (Article II); (iii) transparency (Article III); (iv) increasing participation of developing countries (Article IV); (v) domestic regulation, standards, and recognition (Articles VI and VII); (vi) competition (Articles VIII and IX); (vii) protection of privacy and public morals and the prevention of fraud (Article XIV); (viii) market-access commitments on electronic supply of services (including commitments on basic and value added telecommunications services and on distribution services) (Article XVI); (ix) national treatment (Article XVII); (x) access to and use of public telecommunications transport networks and services (Annex on Telecommunications); (xi) customs duties; (xii) classification issues.

23. At its meeting on 22 and 23 March 1999, the Council approved an Interim Report to the General Council (S/C/8), as required by the Work Programme. At the meeting held on 19 and 20 July 1999, the Services Council agreed on a Progress Report to the General Council (S/L/74) as mandated by the Work Programme.

II. SYSTEMIC ISSUES ARISING FROM ARTICLE V OF THE GATS

24. At the meetings held on 26 April 1999, on 22 and 24 June 1999 and on 19 September 1999 the Council discussed issues relating to Article V of the GATS (Economic integration). Some delegations submitted written communications on this subject. Several delegations expressed interest in the issues raised and in clarifying certain aspects of Article V. Some suggested that these issues could be taken up in the context of the next round of negotiations. Other delegations, however, maintained that there was no need to revise or modify Article V, whose requirements and parameters were clear enough. The importance of adhering to the notification obligations contained in Article V was also stressed. Although delegations had a useful debate on these issues, there was no common view on how to advance discussions in the Services Council. Proposals had been made in the General Council on clarifying and reinforcing WTO rules on regional and economic integration agreements in the next round of negotiations. The Council took note of the debate and of the statements made by delegations and agreed to wait for direction on this issue from the General Council.

II. ESTABLISHMENT OF THE WORKING PARTY ON DOMESTIC REGULATION

25. At the meeting held on 26 April 1999, the Council discussed the issue of how to manage the two overlapping mandates, of paragraph 4 of Article VI, which called upon the Council to develop disciplines on domestic regulation on all services sectors, and the Decision on Professional Services which called upon the Working Party on Professional Services (WPPS) to fulfill the same task for professional services. For this purpose, at the same meeting, the Council adopted a decision establishing the Working Party on Domestic Regulation (S/L/70). This replaces the WPPS and will be responsible for carrying out all the work foreseen under Article VI:4, including the tasks of the WPPS. The Working Party on Domestic Regulation (WPDR) would give priority to the development of horizontal disciplines applicable to all services sectors, while retaining the possibility of developing further disciplines applicable to specific sectors or groups of sectors, including the development of general disciplines for professional services.

II. EXTENSION OF THE DEADLINE FOR NEGOTIATIONS UNDER ARTICLE X OF THE GATS (EMERGENCY SAFEGUARD MEASURES)

26. At the meeting of the Council held on 22 and 24 June 1999, the Council received a proposal from the Chairperson of the Working Party on GATS Rules to extend the deadline for the negotiations under Article X of the GATS on the question of emergency safeguards measures (document S/C/W/111). The Chairman of the Working Party on GATS Rules presented the proposal, which set the date for the conclusion of the negotiations on emergency safeguards measures at 15 December 2000, and provided that the final date for the entry into effect of the results of these negotiations shall be no later than the date of entry into force of the results of the next services round. The Chairman of the Working Party on GATS Rules also pointed out that the extension did not prejudice any country's position on the desirability and feasibility of an emergency safeguard mechanism in services. The Council adopted the Decision proposed by the Chairman of the Working Party (S/L/73).

II. PROCEDURES FOR THE IMPLEMENTATION OF ARTICLE XXI OF THE GATS – DRAFT PROCEDURES PROPOSED BY THE COMMITTEE ON SPECIFIC COMMITMENTS

27. Article XXI:5 of the GATS calls upon the Council for Trade in Services to establish procedures for the modification of schedules. At its meeting on 29 May 1997, the Council had decided to refer this task to the Committee on Specific Commitments. At the meeting held on 19 and 20 July 1999, the Council received the draft procedures from the Committee, which were contained in document S/CSC/W/21. The Council adopted the Decision proposed by the Chairman of the Committee (S/L/79).

II. REVIEW OF THE ANNEX ON AIR TRANSPORT SERVICES UNDER PARAGRAPH 5 OF THE ANNEX

28. At the Council meetings held on 19 and 20 July, on 21 September and on 18 October 1999, Members began discussions on the review of the Annex on air transport services pursuant to paragraph 5 of the Annex. The Council asked the Secretariat to gather information on the work carried out by other bodies in this area. In response the Secretariat prepared a note contained in document S/C/W/129.

II. REVIEW OF ARTICLE II (MFN) EXEMPTIONS

29. At the Council meetings held on 21 September and on 18 October 1999, the Council began discussions on the review of MFN exemptions as mandated by paragraph 3 of the Annex on Article II exemptions. The Secretariat prepared an informal note, Job No. 6116, containing an updated compilation of existing MFN exemptions as background material for the review.

II. REQUESTS FOR OBSERVER STATUS

30. At the meeting held on 18 October 1999, the Council noted requests for observer status from the Islamic Development Bank, from the League of Arab States and from the World Health Organization with a view to taking up the question at a subsequent meeting.

II. WORK OF SUBSIDIARY BODIES

31. The activities of Subsidiary bodies are reflected in their respective reports which are annexed to this report as follows:

Annex I - Report of the Committee on Specific Commitments (S/CSC/4)

Annex II - Report of the Committee on Trade in Financial Services (S/FIN/4)

Annex III - Report of the Working Party on Domestic Regulation (S/WPDR/1)

Annex IV - Report of the Working Party on GATS Rules (S/WPGR/4)

WORLD TRADE ORGANIZATION

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S/CSC/4
26 October 1999

(99-4646)

Committee on Specific Commitments

REPORT OF THE COMMITTEE ON SPECIFIC COMMITMENTS TO THE COUNCIL FOR TRADE IN SERVICES

The Committee on Specific Commitments has held six formal meetings in 1999. The minutes of these meetings appear in documents S/CSC/M/7, 8, 9, 10, 11 and 12. In its meeting held on 23 March 1999, the Committee re-elected Mr. Juan A. Marchetti of Argentina as its Chairman. The discussions of the Committee focused on four items: the procedures for the implementation of Article XXI of the GATS (modification of schedules), classification issues, the institution of a system of electronically consolidated and updated schedules, and the revision of the scheduling guidelines.

I. PROCEDURES FOR THE IMPLEMENTATION OF ARTICLE XXI OF THE GATS

1. Following consultations on the finalization of the procedures for the implementation of GATS Article XXI (modification of schedules) conducted by the Chairman throughout the year, the Committee recommended at its meeting of 19 July, the adoption of these procedures. Subsequently, the procedures were adopted by the Council for Trade in Services at its meeting of 20 July. The text of the procedures and a declaration of the Chairman referring to its adoption appear respectively in documents S/CSC/W/21 and S/CSC/W/23. The Committee has also held consultations on the text of a draft decision by the Council for Trade in Services on certification of rectification or improvements to schedules of specific commitments.

II. CLASSIFICATION

2. As far as classification issues are concerned, the Committee began the examination of the points on classification raised during the Exchange of Information Programme conducted by the Council for Trade in Services, on the basis of a compilation of these points drawn up by the Secretariat and of working documents submitted by delegations. It was agreed that, at each meeting of the Committee dedicated to classification, the Secretariat would produce an informal document listing and updating the suggestions and solutions proposed by Members with regard to the various sectors. The Committee agreed on a Member-driven process based on concrete proposals made by delegations. In this context it undertook a detailed examination of environmental and environmentally related services and began similar work on legal services, energy services, postal services and construction services.

3. Secondly, the Committee began discussions on the question of the definition and treatment of new services. There was broad agreement that this was more a question of classification than of coverage and that a pragmatic approach, based on concrete examples identified during the Exchange of Information Programme of the Council, was needed.

III. ESTABLISHMENT OF A NONBINDING ELECTRONIC COMPILATION OF SCHEDULES OF COMMITMENTS

4. The Committee approved the establishment of a system of electronically consolidated and updated schedules of commitments. It was agreed that these electronic schedules would not have legal status. The Committee approved the propositions made by the Secretariat with regard to calendar, format, circulation, language, prices and verification procedure for this project. It agreed in particular that the outcome of this work should be published and sold to the general public in a CD-ROM format and that, in view of budgetary constraints, the elaboration of a CD-ROM version was a priority as compared to an online version.

IV. REVISION OF THE SCHEDULING GUIDELINES

5. On scheduling guidelines the Committee requested the Secretariat to produce, as a basis for a future examination of the guidelines, an informal and technical document on scheduling problems emerging from the guidelines themselves and from their implementation (S/CSC/W/19). On this basis, the Committee has been discussing the issues raised by the Secretariat as well as alternatives to address them. Subsequently, the Committee began the examination of a first revised draft of the scheduling guidelines containing the points on which there is an emerging understanding. The Committee also asked the Secretariat to produce a checklist of outstanding problems on scheduling matters and began its examination.

WORLD TRADE ORGANIZATION

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S/FIN/4
26 October 1999

(99-4642)

Committee on Trade in Financial Services

REPORT OF THE COMMITTEE ON TRADE IN FINANCIAL SERVICES TO THE COUNCIL FOR TRADE IN SERVICES

The Committee on Trade in Financial Services held three formal meetings during 1999 on 19 January, 7 May and 11 June which focused principally on two issues; the acceptance of the Fifth Protocol to the GATS and the organisation of future work.

1. With regard to the acceptance of the Fifth Protocol, it was clear at the meeting of 19 January that the ratification deadline of 29 January would not be met by a considerable number of Members. Following a decision by the Council for Trade in Services on 15 February to extend the deadline until 15 June, the discussions focused on obtaining information on the ratification processes of Members who had not up to that point accepted the Protocol. A letter from the Chairman, dated 17 May, was sent to those Members requesting such information, some of which have responded in writing. At the meeting of 11 June, the Committee was of the view that there should not be a further extension of the deadline, but that windows of opportunity for acceptance by Members could be considered at a later stage and on a case-by-case basis.

2. On the organisation of future work, a number of issues were raised for potential future discussion and it was suggested that some issues, namely the distinction between modes 1 and 2 and the sectoral classification of financial services be given priority. Although there were differences of opinion voiced by Members about items to be considered, there was a general feeling that any work undertaken on these items in the Committee should not duplicate but add to discussions in other bodies. At the request of the Committee, the Secretariat produced a non-exhaustive checklist of issues for discussion (S/FIN/W/14). It was also proposed that future discussions under the agenda item "Recent developments in financial services trade" should be expanded to stimulate more interactive discussions on the application of the Agreement and the commitments made thereunder by Members and important recent changes in Members' laws and regulations which affect international trade in financial services.

WORLD TRADE ORGANIZATION

S/WPDR/1
20 October 1999

(99-4591)

Working Party on Domestic Regulation

REPORT OF THE WORKING PARTY ON DOMESTIC REGULATION TO THE COUNCIL FOR TRADE IN SERVICES

In December 1998, the Council for Trade in Services adopted the *Disciplines on Domestic Regulation in the Accountancy Sector* (S/L/64, 17 December 1998). The Council Decision is in WTO document S/L/63 (15 December 1998), and the final report of the Working Party on Professional Services to the Council, recommending adoption of the accountancy disciplines, is contained within WTO document S/WPPS/4 (10 December 1998).

1. The Council Decision establishing the Working Party on Domestic Regulation (S/L/70, 28 April 1999), mandated that the activities of the previous WPPS be incorporated into those of the new WPDR. In the period December 1998 to April 1999, the WPPS had held two formal meetings under the chairpersonship of Michael Stone of Hong Kong, China. Minutes of the formal meetings are contained in WPPS documents M/24 and M/25.
2. Through November 1999, the Working Party on Domestic Regulation has held three formal meetings, and one informal meeting, under the chairpersonship of Paul Robertson of Canada since the Working Party was created in April 1999. Minutes of the formal meetings are contained in WPDR documents M/1 through M/3.
3. Discussions of the WPDR have focused mainly on issues related to the development of multilateral disciplines on domestic regulation, to be horizontally applicable. To facilitate discussions, the Secretariat prepared two background papers at the request of the Council for Trade in Services (S/C/W/96 and /W/97, both dated 1 March 1999). Informal papers were submitted by the Chairperson and the Secretariat (Job No. 2800, 12 May 1999, and Job No. 5929, 8 October 1999). A formal paper was also submitted by Australia (S/WPDR/W/1, 19 July 1999). The issues of necessity and transparency have received the greatest attention to date by Members.
4. To help advance the work on professional services, the delegation of Hong, Kong, China submitted two informal papers (Job No. 2784, 12 May 1999, and Job No. 3547, 21 June 1999). Following discussions, the WPDR decided at its second meeting on 14 July that Members would consult on a voluntary basis with their domestic professional associations concerning the potential applicability of the accountancy disciplines for their professions, while the Secretariat would consult with relevant international organizations to be identified by Members. Agreed deadlines for the voluntary consultations by Members were 31 December 1999 to complete domestic consultations, and 31 March 2000 for Members to notify the WTO of the results of their consultations.

WORLD TRADE ORGANIZATION

S/WPGR/4
26 October 1999

(99-4639)

Working Party on GATS Rules

REPORT OF THE WORKING PARTY ON GATS RULES TO THE COUNCIL FOR TRADE IN SERVICES

1. The Working Party on GATS Rules held six formal meetings in 1999 (S/WPGR/M/20-25). In each meeting, the Working Party considered all three negotiating mandates: emergency safeguard measures under Article X; government procurement under Article XIII; and subsidies under Article XV.

Negotiations on emergency safeguard measures under Article X of the GATS

2. Differing views continued to be expressed by Members on the desirability, feasibility and possible form of an emergency safeguard mechanism in services. The contributions made and the issues thought to require further consideration are recorded in document S/WPGR/W/27/Rev.2. In recent meetings, Members focused in particular on: (i) possible indicators to underpin trade-related injury concepts (an informal Secretariat paper, Job No. 5294 gives an overview of such indicators, drawing on a previous submission by Venezuela, Job No.2860); (ii) basic disciplines which would need to govern any future safeguard action, regardless of the mechanism which may finally be adopted (including MFN treatment, advance notice, temporary and degressive application, clear specification of the measures envisaged, protection of "acquired rights" of established suppliers); and (iii) the range of applicable measures and other relevant issues.

3. On recommendation by the Working Party, the Council for Trade in Services decided in June 1999 to extend the negotiations on the question of emergency safeguard measures until 15 December 2000; the results shall enter into effect on a date not later than the date of entry into force of the results of the next round of mandated services negotiations (S/L/73).

Negotiations on government procurement under Article XIII of GATS

4. Discussions focused on the range of activities and entities which may be covered by Article XIII of GATS. An informal paper by Japan contains a typology of such activities (Job No. 2867), and a Secretariat Note compiles background information on the interpretation of procurement-related provisions under GATT which might be relevant for the interpretation of similar GATS provisions (S/WPGR/W/29). Recently, Members started giving thought to the scope and depth of procurement disciplines, if any, which might be agreed upon at the end of the negotiating process.

Negotiations on subsidies under Article XV of GATS

5. Hong Kong, China made a submission under the information exchange programme mandated under Article XV (S/WPGR/W/16/Add.13), adding to two other submissions received in 1997. A proposal that Members provide information on subsidy-related access problems encountered in foreign markets is being considered by Members. Discussions have continued on the potential for subsidies, which are extended under one mode (e.g. investment aid under mode 3) to distort trade under other modes, and the effects on trade of export subsidies in services.
